

## Message Text

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ACTION NEA-12

INFO OCT-01 ISO-00 SPC-03 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 L-03 H-03 PA-04 USIA-15 PRS-01 DRC-01 /156 W

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R 141714Z NOV 73 ZDK  
FM AMEMBASSY NEW DELHI  
TO SECSTATE WASHDC 7881  
INFO AMCONSUL BOMBAY  
AMCONSUL CALCUTTA  
AMCONSUL MADRAS

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PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, IN

SUBJECT: INDIA'S FOREIGN EXCHANGE RESERVES

REF: NEW DELHI 10978

SUMMARY: INDIA'S FOREIGN EXCHANGE RESERVES WERE DOLS 1,412 MILLION  
AT END-JULY 1973 AND ARE ESTIMATED BY EMBASSY TO BE DOLS 1,270  
MILLION ON NOVEMBER 2. END SUMMARY.

1. OFFICIAL INDIAN DATA ON RESERVES FOR THE MONTH OF JULY SHOWS  
RESERVE BANK OF INDIA (RBI) HOLDINGS OF FOREIGN EXCHANGE OF RS.  
4.76 BILLION (DOLS 642 MILLION BASED ON AVERAGE DOLLAR/QUARTERLING  
CROSS RATE ON LONDON MARKET IN JULY OF RS. 7.41 EQUAL DOLS  
1.00). OTHER COMPONENTS WERE: (A) RS. 660 MILLION (DOLS 89  
MILLION) IN FOREIGN EXCHANGE HOLDINGS OF THE GOI; AND (B)  
RS. 183 BILLION IN GOLD (DOLS 293 MILLION VALUED AT DOLS 42.22  
AN OUNCE). ACCORDING TO NOVEMBER IFS, INDIA'S SDR HOLDINGS AT  
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END-JULY WERE DOLS 296 MILLION AND GOLD TRANCHE POSITION DOLS

92 MILLION. RESERVES AT END-JULY TOTALLED DOLS 1,412 MILLION.

2. ONLY INCOMPLETE DATA AVAILABLE PAST JULY. ACCORDING TO THE RBI'S LATEST WEEKLY STATEMENT, THE RBI ON NOVEMBER 2 HAD FOREIGN EXCHANGE HOLDINGS OF RS. 3.90 BILLION (DOLS 504 MILLION BASED ON AVERAGE DOLLAR-STERLING CROSS RATE IN LONDON DURING OCTOBER OF RSM UMIS EQUAL DOLS 1.00). ITS GOLD HOLDINGS CONTINUED TO BE RS. 1.83 BILLION (DOLS 293 MILLION). INDIA'S SDRS WERE DOLS 296 MILLION AND GOLD TRANCHE POSITION IN THE FUND DOLS 92 MILLION AT END OF SEPTEMBER, ACCORDING TO IFS.

3. ASSUMING NO CHANGE IN SDRS AND GOLD TRANCHE POSITION SINCE END-SEPTEMBER, AND NO CHANGE IN GOI (AS OPPOSED TO RBI) HOLDINGS ABROAD SINCE JULY, INDIA'S TOTAL RESERVES ON NOVEMBER 2 ARE ESTIMATED BY EMBASSY AT DOLS 1,270 MILLION.

4. DECLINE IN RESERVES FROM MID-SUMMER HIGHS MAY INDICATE THAT FOODGRAINS PURCHASED IN JUNE AND JULY FINALLY SHOWING UP IN RESERVE HOLDINGS. IN STATEMENT BEFORE PARLIAMENT NOVEMBER 13, FINMIN CHAVAN ATTRIBUTED DECLINE TO "SUBSTANTIAL" IMPORT BILL FOR FERTILIZERS AND CRUDE OIL AS WELL AS FOODGRAINS.

5. INDIA'S RESERVES AT BEGINNING OF INDIAN FISCAL YEAR ON APRIL 1 WERE DOLS 1.311 MILLION.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN EXCHANGE HOLDINGS, FINANCIAL RESERVES, RESERVE DATA (FINANCIAL)  
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**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
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**Disposition Date:** 28 MAY 2004  
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